



**THE CONFEDERATED SALISH AND KOOTENAI TRIBES  
OF THE FLATHEAD NATION**

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December 14, 2006

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National Indian Gaming Commission  
1441 L Street, NW, Suite 9100  
Washington, DC 20005  
VIA FACSIMILE: 202-632-7066

**RE: Comments to Analysis Group's Report of Economic Impact of Proposed Changes to Class II Regulations**

Dear Chairman Hogen:

The Confederated Salish and Kootenai Tribes are providing comment to the Analysis Group's Report of the Economic Impact of Proposed Changes to the Class II Gaming Regulations (hereinafter "Report"), as per National Indian Gaming Commission's (NIGC) public request. We would like to commend the NIGC for soliciting the information at this point in your regulatory-development process. Our Tribes have previously commented that a statutory and practical need exists for the NIGC to comply with the Regulatory Flexibility Act, Unfunded Mandates Act, and Executive Orders regarding your agency's regulatory-takings and economic impacts of your proposed regulatory changes.

The results of this Report and the impact to the Class II Tribal industry are extremely troubling to us. The Report estimates that the impact of the NIGC's proposed changes to the Class II regulations include: \$142.7 million in lost revenue, lost tribal employment, increase in revenue-sharing costs, decrease in leverage in Class III compact negotiations, etc. All of the foregoing factors will have a tremendous and immediate impact to our Tribes. As the NIGC is aware, our Tribes currently do not have a compact with the State of Montana. The compact that expired on November 30, 2006, was one of the worst in the United States—the state was receiving more than 60% of the gaming revenue off our own Reservation. As noted by the NIGC in the Report, the existing Class II machines "may be on par or possibly even inferior" to the existing Class III machines in Montana. A viable Class II option is our only compacting leverage with the State of Montana.

Due to the significant negative economic impact that the proposed changes to the Class II regulations and on Class II Tribal gaming industry, the Confederated Salish and Kootenai Tribes request that the NIGC rescind the proposed Class II regulations.

Sincerely,

*James H. Steele, Jr.*  
James H. Steele, Jr.  
Chairman

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Chairman Hogen

FROM: Chairman Steele

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REMARKS: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment